



Hon. Robert T. Matsui

Member of Congress

www.house.gov/matsui/

Robert T. Matsui

Serving California's 5th District

FOR IMMEDIATE RELEASE
Wednesday, February 25, 2004

CONTACT: ELIZABETH LIETZ
(202) 225-7163/(202) 225-0564

SENIOR DEMOCRATS OPPOSE CUTTING SOCIAL SECURITY TO MAKE UP FOR BUSH ADMINISTRATION DEFICITS

WASHINGTON, D.C. – Reps. Robert T. Matsui, Ranking Democrat on the Social Security Subcommittee, and Charles B. Rangel, Ranking Democrat on the Ways and Means Committee, issued the following joint statement in reaction to Federal Reserve Chairman Alan Greenspan's testimony today before the House Budget Committee:

"Chairman Greenspan is right to warn that skyrocketing budget deficits will push up long-term interest rates and seriously damage our economy. But we respectfully disagree that the way to deal with the country's record budget deficits is to cut Social Security benefits.

"The current deficits are a result of the Bush Administration's reckless mismanagement of the budget. They are not the fault of the American workers who are paying a portion of their hard-earned wages into Social Security. It is defaulting on our promise to our future retirees to cut their benefits to make up for the higher deficits caused by massive tax cuts for the wealthy.

"We have known for decades that we as a nation have an obligation to pay benefits to future retirees. Instead of making American families change their plans to accommodate the Bush Administration's fiscal recklessness, the Bush Administration should change its policies.

"We have gone from a projected surplus for 2002-2011 of \$5.6 trillion to a projected deficit of \$2.9 trillion for that same period. In large part this revenue loss was due to the trillions of dollars in tax cuts that the Bush Administration pushed through. Mr. Greenspan's testimony implies that these deficits justify cutting Social Security.

"When the Republicans were pushing through massive tax cuts - the ones that he privately labeled 'irresponsible fiscal policy' to former Treasury Secretary O'Neill - Mr. Greenspan chose to remain silent publicly. The Republicans are now pushing more tax cuts that would take effect and reduce revenues at exactly the time that the baby boomers will retire. Apparently, Mr. Greenspan believes that fiscal discipline should only apply in the case of Social Security benefits for retirees, disabled people, widows and orphans.

"Mr. Greenspan has it backwards. He portrays Social Security as the problem. But in reality, the high deficits brought on by Bush Administration fiscal policies are the problem. Those fiscal policies are now threatening Social Security."

###